

**DHHS Response to Questions from Fiscal Research Division  
January 3, 2012 Meeting of the Interim House Appropriations Subcommittee on HHS**

**NARRATIVE FOR TANF PLAN**

**Presenter –Sherry Bradsher, Director of Division of Social Services**

**TOPIC: TANF Program --**

**FRD Question:** In September, Congress extended the TANF program without including funding for TANF Supplemental Grants. North Carolina has received these funds since 1996 as part of the 1996 welfare reform deal. Pursuant to S.L. 2011-145, Sec. 10.60 (c), the Department is directed to develop a plan to adjust the block grants based on reduced federal funding and present the plan to then a the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. In addition to presenting the plan please answer the following questions:

- a. Have any expenditures been made to programs targeted with this funding as of this date?
- b. What is the expected impact to DHHS programming as a result of this funding loss particularly Social Services administration?
- c. What is the available funding total for all other block grants?

**DHHS Response:**

In September, Congress temporarily extended the TANF program without including funding for TANF Supplemental Grants. The impact of this loss in supplemental funding translates to an annual reduction of \$36.4M in funding to North Carolina. However, funds appropriated by the General Assembly for SFY 11-12 already included a one quarter reduction of \$9.1M to this funding based upon temporary actions by Congress last FFY. Therefore, funding appropriated for the current state fiscal year needs to be reduced by \$27.3M.

North Carolina continues to be eligible to request awards from the TANF Contingency fund due to its growth in the number of Supplemental Nutrition Assistance Program (SNAP) recipients. DHHS requested and expects to receive an additional \$20.2M of these funds to cover the service months of November through February, 2012.

In addition, DHHS has identified \$1,093,059 in TANF Emergency Contingency funds that were not expended in SFY 10-11 that will be available to support TANF reductions.

DHHS has also analyzed current spending. Based upon this analysis, DHHS has targeted reductions to three activities which could be reduced without impact. These included:

<b>Item #</b>	<b>Activity</b>	<b>Reduction</b>
<b>TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS</b>		
1	Work First Family Assistance	\$ (4,867,970)
11	Office of the Secretary	\$ (41,350)
<b>TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS</b>		
1	NC Fast	\$ (1,155,952)
<b>Total Reduction</b>		<b>\$ (6,065,272)</b>

Based upon availability from resources noted above and reductions to current appropriated items, DHHS has developed a reduction plan as detailed in the attachment.